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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

NIC 3019-83
22 April 1983

MEMORANDUM FOR: Director of Central Intelligence
: Deputy Director of Central Intelligence

THROUGH : National Intelligence for Warning

FROM :
: Assistant National Intelligence Officer for Western
Europe

SUBJECT : Monthly Warning Assessment: Western Europe

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Portugal

1. Formation of a new government after the April 25 National elections could be a lengthy process. A coalition between Mario Soares' socialists -- expected to come out ahead in the elections -- and the Social Democrats seems likely, especially if the latter win at least 25 percent of the vote. Such a government would have a better potential to administer promised economic austerity policies, but the track record of coalitions in Portugal is not good. A minority Socialist government may find it even more difficult to keep the Communists and Communist-supported labor in line. Analysts believe that Portuguese political stability will not be threatened in the near term, but that poor management of the economic crisis, labor unrest, and waning public support of austerity measures will nevertheless sorely test any new government. Tensions between President Eanes and the new government could grow, and Eanes may again be tempted to enter the political arena with his own party or argue for a future political system with a greater presidential role.

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2. A Socialist or Socialist-led government will in the meantime seek to conclude rapidly negotiations with the US on a new security pact. Socialist attitudes are similar to those of the outgoing government. Most importantly, the Socialists will want to divorce the question of use of the Azores base at Lajes from US access to facilities on the mainland, and will be under pressure from the military for a larger aid package.

CSCE

3. The CSCE session in Madrid has resumed with unresolved differences between West Europeans and the US, and among the Europeans themselves, about where and how hard to press for changes in a draft concluding document offered by the neutrals and non-aligned (NNA). Some Europeans, notably the Dutch, support US desires for a maximum effort to achieve Soviet concessions on human rights and on the mandate for a disarmament conference in Europe. Most, however, would be satisfied with a few improvements in order to attain a "successful" outcome that would demonstrate the East-West dialogue was still alive on the eve of INF deployments. Although the need for Western unity is widely perceived, the US will be under strong pressure in Madrid to back down as the "end game" approaches, especially if the Soviets indicate they can accept most of the NNA draft.

Economic Summit

4. Following the visits to Washington of Chancellor Kohl and EC Commission President Thorn, the Europeans appear to be somewhat less concerned that the US intends to make East-West economic issues the centerpiece of the Williamsburg Summit. Contention over East-West questions would undermine European hopes that the Summit will demonstrate sufficient harmony to provide a psychological lift to prospects for economic recovery. Many of the Europeans, both among the Summit countries and outside the circle, remain opposed to a series of preparatory ministerial meetings proposed by the US -- outsiders, because of fears of the Summit Seven becoming institutionalized; insiders, particularly the French, because of concern that leaders' hands will be tied at the Summit itself. In part because the Europeans will differ among themselves -- the major dividing line being between low- and high-inflation countries -- about how much "convergence" of national economic policies the summit should advocate, they may find more unity in urging attention to North-South problems, especially in light of the coming UNCTAD session. French president Mitterrand, especially, may argue the virtues of exchange-rate stability, as well as new consideration for commodity-price stabilization, in the context of relief for developing countries.

"Peace Movement" Developments

5. Easter "peace" marches were notable primarily in West Germany and Britain; major events had not been planned elsewhere. The numbers, particularly in Germany, were less than organizers had hoped for. This may indicate difficulties in achieving high turnouts in the future, but analysts generally believe serious and large-scale demonstrations are still possible, indeed likely, later in the year. Moreover, the large number of demonstrations, the targetting of INF deployment or other military sites, and the ability of Communists and radicals to exercise more influence in small and widespread demonstrations could pose a great problem for security authorities. The level of demonstrations anticipated at present are not expected to dissuade stationing governments from proceeding with INF deployments.

6. Analysts have noted reports of Soviet concern over too much "balance" (i.e., anti-SS 20 as well as INF slogans) creeping into the peace movement, but differ about whether such concern is real or feigned. There is agreement, however, that at least in the West the net impact of even balanced demonstrations is pressure against INF.



25X1

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SUBJECT : Monthly Warning Assessment: Western Europe

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